



South Carolina
Higher Education
Tuition Grants Commission

EDWARD M. SHANNON, III
EXECUTIVE DIRECTOR

101 Business Park Blvd.
Suite 2100
Columbia, SC 29203-9498
(803) 896-1120
Fax: (803) 896-1126

August 3, 2006

Ms. Karen Rhinehart
Office of the State Budget
1201 Main Street, Suite 870
Columbia, SC 29201

Dear Karen:

Enclosed as requested are the two (2) electronic files and ten (10) printed copies of the 2007-2008 state budget request for the SC Higher Education Tuition Grants Commission (H06) as approved by the SC Higher Education Tuition Grants Commission.

Please contact me at 896-1120 should you have any questions or need further information.

Sincerely,

A handwritten signature in black ink that reads "Edward M. Shannon, III". The signature is stylized with a large, flowing "E" and a distinct "III" at the end.

Edward M. Shannon, III
Executive Director

FISCAL YEAR 2007-08 BUDGET PLAN

I. EXECUTIVE SUMMARY

A. Agency Section/Code/Name: Section 5B/H06/Higher Education Tuition Grants Commission

B. Statewide Mission:

- 1) To administer a state-funded tuition grants program for the State of South Carolina to assist eligible state residents with demonstrated financial need to attend certain qualified in-state independent colleges on a full-time enrollment basis; and,
- 2) To gain maximum usage from the available independent college facilities located throughout the state; and,
- 3) To assist in the education of our state citizenry by helping to offset the cost of attending a South Carolina independent college, just as the State does for our state residents attending in-state, public colleges; and,
- 4) To help in the preservation of our dual system of public and private higher education, which promotes healthy competition between the two sectors; and,
- 5) To save the State millions of tax dollars each year by attracting students into the independent college sector, thereby saving the automatic per student state subsidy that goes to all SC public college students regardless of financial need; and,
- 6) To give South Carolina residents a choice of attending a SC independent college, and to allow students to make their college-choice decisions based on their academic needs and not solely on the cost of the college.

The 2007-2008 State Budget Request was approved by the SC Tuition Grants Commission at the June, 2006, meeting of the commission. The \$11,167,283 budget increase requested herein is needed to increase the maximum grant available to all eligible students from \$3,100 to \$3,200. The \$100 increase reflects the 2005 Higher Education Price Index (HEPI) percentage increase of 3.5%. The request would also include: 1) Since tuition grants are recurring items and lottery dollars are non-recurring funds, it is requested that the increase to the SC Tuition Grants Program be funded with state general fund dollars rather than with lottery dollars; and, 2) If the increase cannot be funded with state general fund dollars, the lottery dollars should come from the permanent lottery fund pool; and, 3) The temporary proviso exempting the SC Tuition Grants Program from mid-year budget reductions be included again in 2007-2008 or added to permanent provisos.

NOTE: If the \$9,751,510 in total lottery funds received by the SCTG Commission in 2006-2007 are renewed in 2007-2008, only \$1,415,773 in new dollars will be needed to increase the current \$3,100 maximum grant to \$3,200.

C. Summary Description of Strategic or Long-Term Goals:

(1) Provide funding increase of \$11,167,283 to award all eligible students applying through the June 30 application deadline with a maximum grant level of \$3,200.

D.

Summary of Operating Budget Priorities for FY 2006-07:		FUNDING					FTEs			
		State Non- Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.1	Title: Tuition Grants	0	\$11,167,283	0	0	\$11,167,283	0	0	0	0.00
Strategic Goal No. Referenced in <u>Item C Above (if applicable):</u> Activity Number & Name: #316: Tuition Grants										
Priority No.:	Title:	0	0	0	0	\$ 0	0	0	0	0.00
Strategic Goal No. Referenced in <u>Item C Above (if applicable):</u> Activity Number & Name:										
Priority No.:	Title:	0	0	0	0	\$ 0	0	0	0	0.00
Strategic Goal No. Referenced in <u>Item C Above (if applicable):</u> Activity Number & Name:										
TOTAL OF ALL PRIORITIES		\$ 0	\$11,167,283	\$ 0	\$ 0	\$11,167,283	0.00	0.00	0.00	0.00

E. Agency Recurring Base Appropriation:

State \$ 19,322,247 (base funds)

Federal\$ 865,113 (LEAP/SLEAP)

Other \$ 10,087,909 (One-time Lottery Funds and CHE Need-based Funds)

F. Efficiency Measures: Refer to Executive Summary section.

G.

Summary of Capital Budget Priorities: No Capital Items.			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Total of All Capital Budget Priorities:			\$ 0	\$ 0	\$ 0	\$ 0

* If applicable

H. Number of Proviso Changes: 1) Add Proviso 5B.1 to permanent provisos.

I. Signature/Agency Contacts/Telephone Numbers: Edward M. Shannon, III/Agency Director/803-896-1120

II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: Section 5B/H06/Higher Education Tuition Grants Commission

B. Priority No. 1 of 1

C. (1) Title: Tuition Grants

(2) Summary Description: To provide a maximum SC Tuition Grant of \$3,200 to all eligible SC students.

(3) Strategic Goal/Action Plan (*if applicable*): #1

D. Budget Program Number and Name: (05000000)

E. Agency Activity Number and Name: Activity # 316: Tuition Grants

F. Detailed Justification for Funding:

(1) Justification for Funding Increase: To increase maximum award from \$3,100 to \$3,200 for all eligible students.

(2)

FY 2006-07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0
Program/Case Services		\$11,167,283			\$11,167,283
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
Total	\$ 0	\$11,167,283	\$ 0	\$ 0	\$11,167,283
* If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.					

(3) Base Appropriation:

State \$ 19,322,247 (base funds)
Federal \$ 865,113 (LEAP/SLEAP federal funds)
Other \$ 10,087,909 (Lottery funds and CHE Need-based funds)

(4) Is this priority associated with a Capital Budget Priority? No. If so, state Capital Budget Priority Number and Project Name:

_____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification: N/A

(b) Future Impact on Operating Expenses or Facility Requirements: N/A

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State 5
Federal 0
Other 0

Agency-wide Vacant FTEs as of July 31, 2005: 1

% Vacant 20%

H. Other Comments:

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

A. Agency Section/Code/Name: **No Capital Budget Items for 2007-2008**

B. Priority No. ____ of ____

C. Strategic Goal/Action Plan *(if applicable)*:

D. Project Name and Number *(if applicable)*:

E. Agency Activity Number and Name:

F. Description of Priority:

G. Detailed Justification for Funding:

(1) Justification for Funding Priority:

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*				\$ 0

** If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

H. Justification for First Year Additional Future Annual Operating Costs:

Will additional annual operating costs be absorbed into your existing budget? _____

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

First Fiscal Year Additional Annual Operating Costs Are Anticipated: _____ Will this fiscal year require a partial or full year's operating funds? _____ If a partial year's funds are required, what portion of the year does it cover? _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

I. Justification for First Full Year Additional Future Annual Operating Costs *(If Section H above represents a full year's operating funds, do not complete this section.)*

- (1) Will additional annual operating costs be absorbed into your existing budget? _____
If not, will additional state funds be needed in the future? _____
If state funds will not be needed in the future, explain the source(s) that will be used.

- (2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

I. 2% COST SAVINGS ASSESSMENT

- A. Agency Section/Code/Name: 5B/H06/Higher Education Tuition Grants
- B. Agency Activity Number and Name: 316/Tuition Grants
- C. Explanation of Cost Savings Initiative: Reduce 11,869 awards by \$33.00
- D. Estimate of Savings:

FY 2007-08 Cost Savings Estimates:	General	Federal	Other	Total
Personnel:				
(a) Number of FTEs				0.00
(b) Personal Service				\$ 0
(c) Employer Contributions				\$ 0
Program/Case Services	\$393,664			\$393,664
Pass-Through Funds				\$ 0
Other Operating Expenses				\$ 0
Total	\$393,664	\$ 0	\$ 0	\$393,664

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*): Since 98.8% of total budget dollars are in the Tuition Grants Program (activity #316), this is the only activity with sufficient dollars to handle a savings of this magnitude. 11,869 SC students attending the 20 SC independent colleges would have their tuition grants reduced by \$33 to recoup a savings of this amount.

F.

Summary of Cost Savings Initiatives for FY 2007-08:	FUNDING				FTEs			
	General	Federal	Other	Total	State	Fed.	Other	Total
Initiative Title: Tuition Grants Activity Number & Name:316	\$393,664	0	0	\$393,664	0	0	0	0.00
Initiative Title: Activity Number & Name:	0	0	0	\$ 0	0	0	0	0.00
Initiative Title: Activity Number & Name:	0	0	0	\$ 0	0	0	0	0.00
TOTAL OF ALL INITIATIVES	\$393,664	\$ 0	\$ 0	\$393,664	0.00	0.00	0.00	0.00

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

II. PRIORITY ASSESSMENT OF AGENCY ACTIVITIES

- A. Agency Section/Code/Name: 5B/H06/Higher Education Tuition Grants
- B. Agency Activity Number and Name: 317/SC Student Legislature
- C. Explanation of Lowest Priority Status: Very small statewide program (140-150 participants).
- D. Estimate of Savings: \$17,780

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	\$17,780	0	0	0	0	\$17,780
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	0	0	0	0	0	\$ 0
Total	\$17,780	\$ 0	\$ 0	\$ 0	\$ 0	\$17,780

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*): 140-150 SC public and independent college students from 14 colleges that participate in the program would be impacted with the elimination of the program.

F.

Summary of Priority Assessment of Activities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name:317: SC Student Legislature	\$17,780	0	0	0	0	\$17,780	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
TOTAL OF LOWEST PRIORITIES	\$17,780	\$ 0	\$ 0	\$ 0	\$ 0	\$17,780	0.00